



MACC CONFERENCE GENERAL PRE-CON

INVOICING AND PROJECT CLOSEOUT

**MAXIMIZING CASH FLOW
MINIMIZING FINANCING
RETIRING ACCOUNTS
RECEIVABLE**



August 31, 2004



PARTNERING FOR COMMON INTERESTS

- **GOVERNMENT'S INTERESTS**

- MINIMIZE CONTRACT COSTS

- LOWERS COST PER UNIT

- TIMELY EXPENDITURES

- IMPROVES CASH MANAGEMENT

- REDUCE OUTSTANDING LIABILITIES

- REDUCE ADMINISTRATIVE COSTS

- **CONTRACTOR'S INTERESTS**

- MINIMIZE FINANCING COSTS

- MINIMIZES DEBT RATIO

- MAXIMIZE CASH FLOW

- IMPROVES CURRENT RATIO/LIQUIDITY

- RETIRE ACCOUNTS RECEIVABLE

- MINIMIZE OVERHEAD COSTS

- **NAVFAC GOAL - CERTIFY ALL PROPER INVOICES WITHIN 5 CALENDAR DAYS OF RECEIPT**

- PRE-VALIDATION BETWEEN THE ET AND PM IN THE FIELD (ROICC NDW)

- SUBMIT INVOICES MONTHLY - PREFERABLY ON MONDAYS (ROICC NDW)

- MAY BE VARIABILITY BETWEEN ROICCS - LOCAL PROTOCOLS



CONTRACT INVOICING

•PREPARATION FOR INVOICING

- FAMILIARIZE YOURSELVES WITH RULE\$ FOR PAYMENT
- UNDERSTAND CONTRACT REQUIREMENT\$ THAT AFFECT YOUR ELIGIBILITY FOR PAYMENT
- APPROVED SCHEDULE OF PRICE\$

•MOST COMMON CONTRACT CLAUSES

- FAR 52.232-5 PAYMENTS UNDER FIXED-PRICE CONSTRUCTION CONTRACTS (SEPT 2002)
- FAR 52.232-27 PROMPT PAYMENT FOR CONSTRUCTION CONTRACTS (FEB 2002)
- FAR 52.222-8 PAYROLLS AND BASIC RECORDS (FEB 1988)

•NON-COMPLIANCE THAT MAY AFFECT PAYMENT

- DAVIS-BACON ACT WAGES AND FRINGE-BENEFITS
- PAYROLL SUBMISSIONS (PRIME AND SUBS)
- STATEMENT AND ACKNOWLEDGEMENT OF CONTRACT CLAUSES
- LABOR VIOLATIONS
- FAILURE TO MAINTAIN PROGRESS
- DAMAGE TO GOVERNMENT PROPERTY
- FAILING TO MAKE SB GOALS
- FAILURE TO COMPLETE ON TIME



CONTRACT INVOICING

• FORMS

- SCHEDULE OF PRICES - NAVFAC 4330/4
- CONTRACTOR'S INVOICE - NAVFAC 7300/30
- CONTRACT PERFORMANCE STATEMENT - NAVFAC 7300/31
- STATEMENT AND ACKNOWLEDGEMENT - STANDARD FORM 1413
- INVOICE CERTIFICATION - PAYMENT TO SUBS AND SUPPLIERS
- CONTRACTOR'S RELEASE - NAVFAC 4330/7 (MUST W/FINAL INVOICE)

• SUBMITTALS

- UPDATED SCHEDULE
- SUBMITTAL REGISTER
- PAYROLLS (PRIME AND ALL SUBS)
- OTHER TECHNICAL OR ADMINISTRATIVE SUBMITTALS

GOVERNMENT'S FIDUCIARY RESPONSIBILITIES



- PAY DOLLARS RIGHTFULLY EARNED BY CONTRACT PERFORMANCE
 - ESTIMATED FOR PROGRESS PAYMENTS
 - PAY CONTRACTOR FAIR VALUE, BUT.....

- PROTECT INTERESTS OF ASSIGNEES AND BONDING AGENTS
- PROTECT THE INTERESTS OF SUBS AND SUPPLIERS
- PROTECT THE INTERESTS OF TRADESMEN AND CRAFTSMEN
- PROTECT THE INTERESTS OF THE GOVERNMENT
 - CLIENT PAYING FOR THE SERVICE
 - STEWARDS OF THE TAXPAYERS' MONEY



CONTRACT/PROJECT CLOSEOUT

- **FINAL PERFORMANCE MEASURES**

- COMMISSIONING OF ALL BUILDING SYSTEMS
- COMPLETE FINAL PUNCHLIST ITEMS
- PROVIDE ALL REQUIRED TRAINING
- REMOVAL OF ALL FACILITIES, EQUIPMENT
- RESTORATION OF SITE
- JOBSITE CLEANUP

- **FINAL ADMINISTRATIVE TESTS**

- AS-BUILTS
- O&M MANUALS
- ATTIC STOCK/SPARE PARTS
- NO PENDING CHANGES
- FINAL INVOICE
 - CONTRACTOR'S RELEASE
 - NO FINAL PAY UNTIL SEASON II COMMISIONING COMPLETE

INVOICING AND CLOSEOUT

•ANSWERS:



- 1-
- 2-
- 3-
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